DOING BUSINESS IN BRITISH COLUMBIA

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Economic Overview

British Columbia, Canada's Pacific province, offers an unparalleled blend of economic strength and unique lifestyle opportunities to its workers and residents.

The Land

With a vast land mass of 948,596 square kilometres British Columbia is approximately 1,448 kilometres long and averages 644 kilometres across.

It stretches from the 49th parallel on the south to the 60th parallel on the north, and from the Pacific Ocean and the Alaska Panhandle on the west to Alberta's boundary on the east. The Yukon and Northwest Territories are its northern neighbours and the American states of Washington, Idaho, and Montana lie beyond its boundaries to the south.

Climatic conditions within the province vary from Mediterranean to Arctic. In general the coast region has the abundant rainfall and mild temperatures associated with a maritime climate. The interior region, lying east of the coastal mountains and west of the Rockies, has a predominantly continental type of climate, which, apart from the northern section, is more temperate than that of the Canadian Prairies.

History

European contact with British Columbia began in 1774 when a Spanish sailing ship commanded by Juan Perez anchored south of Nootka Sound on Vancouver Island. An extended visit by Captain James Cook in 1778 established Britain's interest in the region and set the stage for the fur trade which flourished until the middle of the 19th century.

In 1849 the British Crown Colony of Vancouver Island was formed. The discovery of gold on the Fraser River caused the Crown to extend its jurisdiction to the mainland, and the colony of British Columbia was formed in 1866. The brief economic boom during the gold rush years did not provide a firm base for continued growth; lack of immigrants, capital, and markets made attractive the prospect of a rail link to the east and with the promise of an all-Canadian railway, British Columbia joined Canada in 1871.

BC Province of British Columbia Canada

Ministry of International Trade and Investment
Honourable Don Phillips, Minister

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The province's storehouse of resources soon attracted investors and a steady flow of jobseekers. Forestry, fishing, mining, and farming all trace their origins in British Columbia to the initial influx of population associated with the Fraser River gold rush. Expansion of these primary industries over the years was determined by market conditions and transportation services. They have grown to the extent that today they are the pillars of the provincial economy.

The People

Prosperity and quality of life have resulted in a dramatic expansion in population and labour force. Today's population, which is approaching 3 million, is heavily concentrated in the two metropolitan areas of Vancouver and Victoria. Other major population centres include Prince George, Kamloops, Kelowna and Nanaimo. Heritage is enriched by the ethnic and cultural diversity brought to the province by the people of British, German, Dutch, French, Scandinavian, Chinese, Ukrainian and other origins who have settled in the province, joining the province's Native Peoples.

Labour training takes high priority in the province with a variety of comprehensive educational programs designed to improve worker skills, resulting in British Columbia's labour force being one of the most versatile and best educated in Canada.

ECONOMIC OVERVIEW

Like other provinces in Canada and most other countries, British Columbia felt the economic tremors of the world recession in the early 1980's. Despite world-wide deep structural changes, British Columbia continues to perform better than most other developed regions.

Levels of activity in the provincial economy are heavily influenced by demand conditions in world markets for British Columbia's major resource products. Over 55 per cent of British Columbia's production is exported, mainly to the U.S.A., Japan, and Western Europe.

The mainstays of the economy continue to be forestry and mining, although weak world markets have affected these industries. They are, however, slowly returning to their strong performance of the past. One particularly bright spot for the economy continues to be the development of coal deposits. In the north-east of the province, a multi-billion dollar coal resource project, officially opened in early 1984, was the biggest mine construction project in Canada and resulted in the construction of two new mines, a new town, a $100 million highway, a $500 million railway, and a major coal port being built on Ridley Island near Prince Rupert. This development will generate more than $500 million a year in export sales.

Other significant economic sectors include fishing and agriculture where new provincial policies are emphasizing greater self sufficiency, and tourism, which has become a major growth industry with year-round potential.

Renewed growth in consumer spending, export demand, and investment continue to fuel expansion of the provincial economy. On the export side, the general outlook for British Columbia's major trading partners suggests that the volume of exports will continue to advance. The exchange value of the Canadian dollar in relation to the U.S. dollar also gives British Columbia industries an added competitive boost compared with their U.S. counterparts.

Overall economic growth is being aided by a British Columbia government whose primary economic policy is creating a favourable climate for economic development in the province. Steps used to create such an environment have included a series of government initiatives on a broad front ranging from resource taxation relief, providing loans and other assistance,to controlling the growth of the public sector to help minimize both corporate and personal taxation.

A PROVINCE WITH POTENTIAL

Encouragement of Industry

A wealth of natural resources, a secure energy supply and a positive business attitude have created an environment in which business investments can prosper. The opportunities in British Columbia have never been better. Investments in economic sectors with large capital and high technological requirements, industries yielding exportable commodities, and those which create employment opportunities, are especially welcome.

Foreign Investment

The province has an unbroken record of welcoming and accommodating foreign companies, ranging from multi-national corporations to emigrating entrepreneurs who are seeking to continue their businesses with a more attractive lifestyle.

The provincial government plays an active role in attracting companies, capital and technology from other countries. Companies are made welcome whether they remain independent or prefer to enter into joint ventures, licensing or sub-contracting arrangements with existing British Columbia firms.

Foreign investment has always played a major role in the continuing development of British Columbia. Responsible investment will always be welcomed and investors are free to repatriate any capital at any time. Similarly, profits, dividends or royalties may be remitted at will, subject to payment of the appropriate taxes.

Foreign investment is, however, subject to a review process established by the Federal Government. The Foreign Investment Review Act ensures that positive economic benefits accrue to Canada. The establishment of a new business by foreign interests, or the acquisition of a Canadian company may, therefore, be subject to review.

Advantages of Locating in British Columbia

- **Raw Materials**

  British Columbia is fortunate to have a variety of natural resources, many of them renewable. The province started life with a gold rush, and has never looked back. For over a century the rich mineral deposits, vast commercial forests, fertile farmland, and Canada's most valuable fishing industry have identified British Columbia as one of the most richly endowed areas of the world.

- **Market Access**

  British Columbia is the most westerly of Canada's 10 provinces. A rich endowment of natural resources with potential for development, an increasing population with a growing, skilled labour force, an existing industrial base of over 4,000 manufacturing companies, and accessible domestic and foreign markets provide a foundation for efficient manufacturing, processing, and other related operations.

The proximity of the vast market potential of Pacific Rim countries as well as the development of the western United States markets are added lures for establishing a business in British Columbia.

- **Energy**

In a world concerned about energy supply, British Columbia offers security of supply as well as a diversity of sources. Climate and topography have made the province a leading source of renewable hydro-electric power. Vast deposits of thermal coal provide a potential for future development of on-site electricity generation. Vast natural gas reserves have been discovered and tapped, with a network of pipelines in place to transport this energy to market.

The province also has modest oil reserves and several pipelines deliver crude oil to refineries throughout the province and south to Washington state. Exploration and development of the offshore oil and gas potential is also under active consideration.

It is this wealth of energy that will be a major impetus to the economic development of the province over the next 20 years.

- **Workforce**

One of British Columbia's greatest assets is its people. The province's approximately 1.5 million workforce is well-educated, highly productive, adaptive, trained and highly skilled. The labour force continues to grow rapidly, particularly the female labour force.

- **Lifestyle**

British Columbia's natural beauty and amenities make it one of the finest places in the world in which to work and live. The social environment has evolved from a wilderness frontier once populated by hardy pioneers, to a sophisticated, cosmopolitan society.

With so much space and so many rivers, mountains, lakes, and the ocean, the province is a paradise for those who enjoy the outdoor life.

Culture is equally important. Theatre, dance, and music are prevalent in both large and small communities. The province has two symphony orchestras, an opera company, dance, theatre and choral groups, art galleries, and world class museums.

British Columbia is a land of social contrasts from the old native customs to a modern sophistication, from rugged sport to delicate artistry. It is a unique blend, and as such offers an extremely attractive way of life.

FORESTRY

The importance of the forest industry to British Columbia cannot be overemphasized. It employs directly over 10 per cent of the work force with support industries such as the manufacture of specialized equipment accounting for another 15 per cent. The industry is the largest single contributor to the provincial economy, producing between 50 and 60 per cent of all foreign exports. It has been estimated that approximately half of every dollar earned in British Columbia comes from the forest industry.

British Columbia has 521,029 square kilometres of forest land representing 56 per cent of the province's total land area and over eight billion cubic metres of merchantable timber. This represents more than half of Canada's mature softwoods resources, and approximately one-quarter of North America's standing timber resources.

Topography and climatic conditions divide the province into two distinct forest regions. The abundant rainfall and moderate temperatures in the area west of the Coast Mountain Range have resulted in dense stands of large trees. To the east of the Coast Range, the more arid Interior region (with the exception of the Columbia Rain Forest) is typified by smaller, slower growing trees. However, due to its more extensive area (44.2 million hectares, as opposed to the 7.9 million hectares of the Coast forest) the Interior forest region has an aggregate annual growth of over seven times that of the Coast.

Almost 95 per cent of British Columbia's forest land is owned or administered by the provincial government. Forest management is guided by the principle of sustained yield: timber depletion shall not exceed the forest's ability to reproduce sound wood.

Forest based industries form the most important segment of the provincial economy and almost every community relies to some degree on forestry. Of all the manufacturing industries in British Columbia, wood industries (including sawmills and plywood plants) rank first, followed closely by paper and allied industries. British Columbia currently manufactures approximately 85 per cent of the softwood plywood produced in Canada, 65 per cent of the softwood lumber, 30 per cent of the pulp, and 15 per cent of the paper.

Some 60 per cent of British Columbia's lumber, 90 per cent of its newsprint and virtually all of its market pulp is exported to such markets as the United States, Japan, and Western Europe. In total almost three-quarters of all the forest products produced in the province are exported.

In value of exports, the most important British Columbia produced forest products are lumber, wood pulp, and newsprint paper. Production of some secondary products such as specialty papers and paperboard, window frames, door sashes and furniture components is now expanding. The industry has also become very efficient in the use of its raw material, wood fibre. Each part of the log is put to its best use in an integrated system manufacturing a wide variety of products.

Of the 52 million hectares of forest land in British Columbia, the forestry industry obtains its wood supply from about 35 million economically productive hectares. About 70 million cubic metres of wood are harvested annually, and a substantial additional potential volume is lost each year to fires, insects, and disease. Unlike other resources such as coal and oil, however, the forest is a renewable resource and with careful management can be enhanced and maintained in perpetuity. Reforestation is therefore playing an increasingly important role.

The role of research is becoming greater as the industry comes to depend on second-growth forest. Continued improvement of commercial species could result in up to 50 per cent more growth through a better knowledge of biology, and the growing requirements of British Columbia forests. Trees selected for their superior qualities, such as rapid growth, good form and freedom from disease, hold the promise of greatly improved forest stock in years to come.

BUSINESS OPPORTUNITIES IN FORESTRY INCLUDE:

- Expanded pulp and paper production using local wood chips as raw material;
- Fine paper products;
- Consumer paper products;
- Paper medical products;
- Increased veneer, particleboard and waferboard production;
- Custom cutting of dimension lumber for markets in Western Europe and Japan, and the Middle East;
- Production of pre-cut housing components, such as roof trusses and joists;
- Remanufacture of wood products and joinery components such as window and door stock, ladder stock and panelling;
- Manufacture of furniture components using underdeveloped local hardwoods such as alder and poplar;
- Operation of tree nurseries for reforestation programs;
- Silviculture programs and products.

MINERAL INDUSTRY

Mining activities have been ongoing in the province since the middle of the last century but in the past 10 years the industry has reached a new level of maturity. Mining has been the province's second largest industry sector for many years.

In addition to copper, the province's primary metal, British Columbia's resources include coal, molybdenum, lead, zinc, silver, gold and a wide range of non-metallic minerals including asbestos. Exploration throughout the province in the past has been directed primarily toward discovery of copper, molybdenum, gold, silver, lead and zinc deposits.

Several British Columbia companies are in the forefront of world technological development in the mineral industry. For example Westar Mining Ltd's Sparwood hydraulic underground coal mining operation is the most advanced in North America.

Coal

An outstanding variety of fossil fuels exist in British Columbia, but coal deposits are particularly extensive. Coal reserves are currently estimated at 4.7 billion tonnes, more than sufficient to meet expected demand for domestic and export markets for hundreds of years. An extensive drilling program has revealed the presence of at least two billion tonnes of coal that can be mined by open pit methods.

Today the majority of coal is exported to the steel mills of Japan and Korea. Ongoing and planned developments will greatly increase production of metallurgical and thermal coal from the coalfields in both the southeast and northeast parts of the province with shipments not only to Japan, but to other markets in Asia, Europe, and South America.

In the southeast, Westar Mining and Crowsnest Industries completed new mines during 1982/83 and all four current producers are planning expansions as markets grow.

Northeast coal development has represented the single biggest industrial undertaking in the province's history. The massive development is anchored by major contracts between Denison Mines, Teck Corporation and their corporate partners and the Japanese steel industry for the sale of coal. The companies also entered into agreements with the federal and provincial governments resulting in the construction of a new B.C. Rail line, upgrading of the C.N.R. mainline, a major coal port at Ridley Island near Prince Rupert and the birth of an entirely new community, Tumbler Ridge, as well as two mines that will produce 7.7 million tonnes per year initially. Deliveries commenced in late 1983.

Additional properties including those of Petro Canada (Monkman), Gulf Canada Resources (Mount Klappen), Brinco Mining (Quinsam), Shell Canada Resources (Telkwa), Rio Algam (Sage Creek), Utah Mines (Carbon Creek), Teck Corporation (Burnt River), David Minerals (Willow Creek), Cinnibar Peak Mines (Cinnibar), Denison-Ruhrkohle (Saxon Ridge) and others are anticipating project initiation within the next 10 years.

Metals

The value of metal production has exceeded $30 billion since mining began in the province. The Sullivan mine at Kimberley for many decades overshadowed other mining developments in the province and still remains one of the world's most important sources of lead and zinc. Concentrates are processed at Trail, the site of one of the world's largest lead-zinc smelters.

Copper is British Columbia's most important metal. Most of the copper deposits in British Columbia also contain gold or silver, so the production of copper concentrates is still economic when prices are low because of the value of the associated precious metals.

Many outstanding new copper and molybdenum properties have been developed in the province in the past two decades. More recently, there has been a renewed interest in gold and silver, and a substantial number of smaller properties are in production or under development. Four major metals, copper, molybdenum, silver and gold represent the lion's share of the metals spotlight in the province and exploration continues throughout the province. Exploration and development had been stimulated by rising commodity prices and a favourable currency exchange rate until the recent world-wide economic downturn adversely affected the industry. However, the level of prospecting work has remained moderately active, with increasing emphasis on gold and other metals that continue to be in demand.

Oil and Gas

The northeastern part of British Columbia is an extension of the Great Plains of North America and is the only sedimentary area of the province that is currently producing oil and natural gas.

Major natural gas finds have resulted in the construction of a network of gas pipelines throughout the province. Westcoast Transmission Company started construction of its 1,126 kilometres of gas pipeline from the Peace River District to the Lower Mainland in November, 1955. It was completed in October, 1957, and was put into use immediately. The initial gas-gathering systems were built at the same time and have been expanded as fields were developed. Following the discovery of prolific gas reserves in the Fort Nelson area, another 354 kilometres of pipeline were laid from Fort Nelson in 1964 to join the original line at Chetwynd. The gathering system was subsequently extended farther north and now reaches into the Yukon. In 1978 a new

gas line was built by Westcoast Transmission southeast from Chetwynd to tap new fields in the Grizzly Valley south of Dawson Creek. In order to move ever-increasing volumes of natural gas to the market, much of the original Westcoast line has been looped (doubled) and further expansion of capacity is planned. Distribution extends to virtually all communities of any size on the Mainland and proposals to serve Vancouver Island are under study.

Natural gas reserves are presently estimated at 300 billion cubic metres. The entire natural gas industry was given a boost by a 1983 decision of the provincial government to change natural gas marketing policies. The major change is that gas-producing companies are now able to market gas directly to customers rather than only through a crown corporation.

Historically, half the natural gas produced in British Columbia has been exported by pipeline to the United States. Increasing amounts are now being used within the province for the production of petrochemicals. A methanol plant in Kitimat opened in 1982 and planning is underway for a plant near Prince Rupert which will liquify natural gas for overseas markets. Long range planning also continues for a number of plants to produce fertilizers and various other petrochemicals from natural gas supplies.

Crude-oil pipelines in British Columbia are not as extensive as gas lines but are significant. There are two main gathering systems - one operated by Trans Prairie Pipelines Limited, which gathers oil from the several fields situated north and east of Fort St. John, and the Blueberry-Taylor Pipelines Company line that serves the Aitken Creek, Blueberry and Inga fields northwest of Fort St. John. Both lines deliver crude to the terminal facilities of Western Pacific Products and Crude Oil Pipelines Limited at Taylor, southeast of Fort St. John. Although some oil is refined at the Taylor and Prince George refineries, most is transported by Westcoast Petroleum Limited's 813 kilometre line to Kamloops where a small part of it is delivered to a local refinery. The remainder is delivered to Trans Mountain's pipeline from Alberta for shipment to refineries in the Vancouver area and in Washington State. Condensate, butane and propane are extracted from a gas cleaning plant located at Taylor. Sulphur is produced at gas cleaning plants at Taylor, Fort Nelson and Chetwynd.

Our crude oil reserves are about 25 million cubic metres, enabling us to supply about one quarter of our annual needs for oil. The remainder is supplied by our sister province of Alberta.

Offshore Development

Oil and gas exploration near the Queen Charlotte Islands could become a reality by 1986 for Chevron Canada Ltd if it receives government approval. Seismic exploration will probably take three years and similar period would be needed for drilling.

To prepare for future offshore developments, a joint review of the environmental impact of oil and gas exploration on the north coast of B.C. is being conducted by the B.C. and federal governments. The review panel will recommend terms and conditions to be established for any future offshore development.

BUSINESS OPPORTUNITIES IN THE MINERAL INDUSTRY INCLUDE:

- Smelting, refining and downstream production of copper, and other metals.
- Further expansion of coal mining;
- Production of ferro-alloys;
- Manufacture of a wide range of capital and operating supplies required by the mines and supporting infrastructure;
- Utilizing natural gas for the production of organic chemicals and derived products including plastics.

POWER

British Columbia is an energy-rich region with security and diversity of supply. The abundance of power at reasonable rates has proven to be a key element in long term economic growth. Over 95 per cent of electricity production comes from hydro-electric sources and considerable potential for further development exists.

The province possesses an abundance of fresh water because of a combination of climate and a mountainous terrain. The total hydro-electric power potential is enormous. Current capacity of approximately 11,100 megawatts could be increased to more than 30,000 megawatts by tapping unused water power. Continued growth of both industry and population in British Columbia is expected to cause a steady increase in the demand for electric power.

The British Columbia Hydro and Power Authority is the province's principal supplier of electric energy. Two major British Columbia Hydro projects - Peace Canyon at Hudson's Hope and Seven Mile near Trail - have recently been completed and work continues on the Revelstoke project on the Columbia River. British Columbia Hydro is also expanding its transmission and distribution network.

Alcan Aluminium Limited, a Canadian company with worldwide operations involving every aspect of the aluminium business, is undertaking studies to expand hydroelectric generating capacity in northwestern British Columbia. The studies examine the feasibility of building two new aluminium smelters.

Concern over rising energy consumption has prompted various undertakings by the British Columbia Hydro and Power Authority, the government of British Columbia and the private sector. Energy conservation is being actively promoted and efforts are being made to utilize other energy sources. Of particular interest are measures to promote the use of forest industry wastes which already supply a substantial part of the energy requirements for the forest industry. Geothermal and wind power also have significant potential and British Columbia Hydro has also undertaken research on the feasibility of converting low quality coals to oil and gas, either for industrial consumption or to fuel electric power plants.

BUSINESS OPPORTUNITIES IN POWER-RELATED INDUSTRIES INCLUDE:

- Industries requiring secure supply of energy;
- Provision of mini steel mill and related rolling facilities;
- Production of aluminum and other non-ferrous foundry capacity;
- Utilization of wood-waste for energy;
- General business opportunities arising from new activities in dam construction, mining and oil exploration and development.

AGRICULTURE

British Columbia's agricultural production is diverse and specialized, responding to the variations in climatic conditions throughout the province. Agriculture is the province's fourth largest resource industry behind forestry, mining, and tourism.

Out of a total provincial land area of approximately 893,000 square kilometres, only 4 per cent is arable. Of this 2.2 million hectares is currently farm land and an estimated 7.4 million hectares is open and forested grazing land.

The agriculture sector has been the subject of various government initiatives to prevent the loss of farm land to other uses and to increase farm incomes to levels sufficient to maintain the industry's viability. The best classes of soils have been placed within Agricultural Land Reserves so that they will be maintained for that purpose. To ensure the viability of farming, the Farm Income Insurance Program was introduced. The objective of the program is to use insurance to provide farmers with greater income security in relation to the basic costs of production. Most producer groups are now covered by this program. Other universal programs provide financial assistance in various forms of joint services and improved management practices.

The food and beverage industry is the second largest manufacturing group in British Columbia in terms of the value of shipments. Dairy processing, meat processing, and fruit and vegetable processing industries have all experienced healthy expansions in recent years. This expansion has been fueled by companies adopting advanced technologies in processing operations. Target export markets for processed food products are primarily the United States, Japan, and other Pacific Rim countries and to a lesser extent, Europe.

Virtually all Canadian agricultural products can be found in the province. Some of the specialized activities carried out by British Columbia's farmers include: dairy farming, cattle ranching, poultry raising, and the growing of tree fruits, vegetables, berries, grapes, bulbs, and ornamental shrubs. Mixed livestock-crop farming complements this specialization and is found throughout the province.

Large dairy herds are concentrated near the major market areas of Vancouver, southern Vancouver Island, and the north Okanagan. The Okanagan Valley is well suited to the cultivation of tree fruits, grapes and other heat-loving crops and provides 100 per cent of Canada's commercially grown apricots. Ninety per cent of Canada's blueberries come from British Columbia's fertile Fraser Valley. The Fraser Valley is an extensive river delta, rich in agricultural land, situated in the populous southwestern region of the province. Most of the province's grain, oil-seeds and forage seeds are grown in the northeastern region.

BUSINESS OPPORTUNITIES IN AGRICULTURE INCLUDE:

- Fruit processing; including individual quick-frozen berries and juices;
- Beef and swine production and processing;
- Honey products;
- Cottage wine industry;
- Fresh and processed vegetables, i.e., asparagus, cranberries;
- Dairy farming in the central northern areas of British Columbia;
- Processed food operations including
- biscuits;Confections, flour and bakery products, and
- natural foods Bulbs and ornamental shrubs;
- Greenhouse culture;
- Processed meats.

FISHING

Fishing has been important throughout the history of British Columbia. Salmon canning began in 1870 on the Fraser River and spread quickly northward, making possible the transport and marketing of the fish harvest to distant markets.

Government authorities encourage development of the industry while continually ensuring effective management of this valuable resource. The fishing industry has benefited from expenditures on fish hatcheries, spawning channels, fish ladders to help the upstream passage of salmon, and programs to coordinate fish catches with the capacity of the resource.

Historically, British Columbia's fishing industry has been the most productive of any province in Canada. Over 30 species of fish and marine animals indigenous to provincial waters are valued for commercial utilization. Salmon is the most valuable species, accounting for about 60 per cent of the landed and wholesale values of fisheries products in a typical year. The herring harvest, and, in particular, herring roe, is the second most valuable component of the industry. Today over 7,700 vessels deliver their catches to over 130 plants where approximately 3,500 people are employed in freezing, canning, smoking, and other methods of processing.

One aspect of the fishing industry which is starting to emerge is mariculture-farming from the sea. Growers are experimenting with a variety of oyster, shellfish and salmon farming techniques. The experiments are starting to yield results.

Government assistance is playing a large part in the fishing industry. Both the federal and provincial governments have made a commitment for a long-term funding of the Salmonid Enhancement Program. The federal government is contributing $150 million and the province $7.5 million in the first phase of the program which aims to enhance salmonid production by 50 million pounds per year by 1990.

BUSINESS OPPORTUNITIES IN THE FISHING INDUSTRY INCLUDE:

- Adding value to salmon and shellfish through smoking and specialty processing;
- Fish and shellfish farming and aquaculture;
- Development and processing of kelp;
- Further processing and development of roe products;
- Commercial use of fish species not harvested in the past including pollack, hake, dogfish.

MANUFACTURING

The province's manufacturing sector has developed largely to serve a plentiful resource base. The province is continually striving to broaden its industrial base by promoting the development of manufacturing industries by both domestic and foreign companies. With 4,000 manufacturing companies in the province, B.C.'s manufacturing sector is by far the largest and most diversified in Western Canada.

The province's industrial base is equipped with a rapidly expanding pool of skilled labour and firm support from both the federal and provincial governments. Many skilled workers are drawn to the province because of the quality of life here.

Industrial Products

British Columbia boasts a number of companies recognized as world leaders in the manufacture of forestry, construction, marine, and mining equipment. Over 300 companies in this field produce logging, sawmill, plywood and building board machinery, cranes, conveyor systems, packaging equipment, valves, pumps, and metal forming and bending equipment for rods, pipes, and culverts. Transportation equipment manufactured in the province includes logging and mining trucks as well as highway trucks and equipment.

A significant recent manufacturing development in the province is the building of a new aluminum wheel plant by the Toyota Motor Corporation. It is the first such facility in North America.

One special area of expertise in British Columbia is manufacturing marine products ranging from the building of icebreakers to special undersea vessels to deck hardware, steering and propulsion mechanisms, and communications equipment.

This industrial group depends on the needs of local resource companies, new resource developments and exports to South East Asia, Latin America, and other parts of the world where British Columbian equipment is widely used.

BUSINESS OPPORTUNITIES IN MACHINERY AND EQUIPMENT INCLUDE:

- Pulp and paper equipment and replacement parts for pulp and paper mills;
- Wood harvesting and processing equipment;
- Coal mining equipment for open pit operations;
- Resource transportation equipment and parts;
- Industrial process controls;
- Materials handling equipment;
- Mining equipment including grinding rods and balls and drill bits;
- Valves, compressors, pumps;
- Components for the automotive and heavy truck industries;
- Construction equipment;
- Numerically-controlled machine capacity for application in aerospace sub-contracting.

High Technology

Adapting and creating new technologies is a rapidly expanding field in British Columbia. Each passing year sees a new harvest of innovative technologies being created.

Companies in this field invariably have the freedom to locate in places where they can obtain technical backup and their staff can enjoy a highly rewarding lifestyle. For these reasons British Columbia has become the focus for much of this activity in Canada.

Skilled workers are in abundance and electronic and electrical product manufacturers employ almost 4,000 people and produce over $220 million worth of goods annually. In addition to general industrial products, the province's sophisticated technological base produces medical electronic equipment, data collection terminals, microwave telecommunication units, acoustic devices and aerospace communications equipment. British Columbia is also a leading centre in Canada for computer software production.

Firms in these areas are often at the forefront of their respective advanced technologies. One interesting project is the University of British Columbia's nuclear accelerator facility, one of the very few in North America. It produces radioisotopes for a variety of industrial, medical and research uses.

The province's engineering consulting firms are not only among the largest in Canada, but also are the most active in export markets. The expertise developed on local resource development projects is applicable to similar projects in South East Asia, Africa and Latin America, where British Columbia engineers are highly respected.

BUSINESS OPPORTUNITIES IN HIGH TECHNOLOGY INCLUDE:

- Biomedical engineering;
- Medical electronics;
- Communications equipment;
- Ocean engineering and surveying technology;
- Pharmaceuticals;
- Disposable health care products;
- Aerospace parts and components including investment castings;
- Semiconductor chips and devices;
- Electronic control equipment;
- Packaged computer software;
- Advanced composite materials and component;
- Silicon foundry;
- Specialized engineering consulting.

Consumer Goods

British Columbia's rapidly growing population makes the province particularly attractive to consumer goods companies, offering an expanding western Canadian market, easy access to markets across Canada, and the potential for export to the United States and the Pacific Rim. British Columbia companies seeking out-of-province and export markets usually concentrate on luxury or specialized products with unique appeal.

British Columbia's fashion apparel, skiwear, outerwear, and sporting goods such as safety flotation suits and ocean survival suits, are sold around the world. Giftware and jewelry are greatly influenced by the local supply of jade and gold nuggets and also by native Indian motifs.

BUSINESS OPPORTUNITIES IN CONSUMER GOODS INCLUDE:

- High quality apparel;
- Sportswear to meet the needs of the outdoor lifestyle;
- Sports and recreational equipment;
- Outdoor furniture, utilizing the local supply of cedar and other woods;
- Ceramics, especially high quality tableware.

TOURISM AND RECREATION

British Columbia's tourism revenues have risen sharply in the last five years to the point where tourism expenditures in the province have climbed above the $2 billion level.

Over 12 million persons visit or tour the province each year. More than half of the trips in British Columbia are by Canadians or British Columbia residents with visitors. Out of country visitors touring British Columbia have a large economic impact in relation to their numbers with expenditures per trip twice the average.

Tourism is playing an increasingly prominent role in the economy of the province. A united government and industry thrust aims to substantially increase tourist business as well as reduce seasonal fluctuations. The major portion of funds allocated under a recently concluded $50 million Travel Industry Subsidiary Agreement between the federal and provincial government has been for the development of winter sports and four seasons attractions.

The ski resort community of Whistler was one major beneficiary of government funding, building a town centre for British Columbia's premier world class multi-season resort community. Other major ski developments are being planned at sites near Whistler as well as in the interior of the province.

Tourism will also be boosted by Expo 86, a world exposition to be held in Vancouver in 1986. Expo 86 will celebrate mankind's achievements in transportation and related communications technology. More than 30 nations from Europe, Asia, Africa, the Middle East, North and South America will be participating by displaying innovative technology, culture, costumes, and cuisine. Over 15 million visitors are expected to attend the event.

An excellent transportation network has aided the expansion of tourism activity in all parts of the province. The highway and ferry systems augment the airlines to aid travel throughout British Columbia and give visitors ample opportunity to savour the natural beauty of the landscape.

British Columbia is richly endowed with provincial and national parks which preserve and protect outstanding examples of the province's nature and history, providing almost unlimited opportunity for outdoor recreation.

British Columbia offers mountains, rivers, lakes, mineral springs, scenery, history, horse riding, camping, climbing, hunting, salt and fresh water fishing, swimming, sailing, canoeing, skiing, golfing - everything a tourist could wish for in a year-round holiday setting.

A major international marketing program has been extremely successful in establishing British Columbia as a prime location for national and international conventions and this will be enhanced by the 1987 opening of Vancouver's new trade and convention centre.

BUSINESS OPPORTUNITIES IN TOURISM AND RECREATION INCLUDE:

- Development of skiing related facilities both on and off the slopes;
- Development of hotels, motels, restaurants, and facilities to service the tourist and convention trade;
- Development of recreation facilities including lodges, marinas, and riding stables;
- Development of tourism packages combining transportation, accommodation, and attractions to serve a wide range of market demands.

Trade

Trade is the lifeblood of British Columbia's economy. Historically, the province has accounted for 15 - 20 per cent of all Canada's external trade, and the majority of the province's major companies are export oriented. While the United States and Western Europe are major traditional markets, British Columbia is the gateway through which almost all of Canada's trade with Japan and other Pacific Rim countries must flow. These are the most rapidly developing economies in the world and already absorb close to one-third of all British Columbia's exports. Companies in the province are ideally located to take advantage of marketing opportunities in this important market area.

From apples to zinc ingots, British Columbia products are being exported in record numbers. Traditionally, British Columbia has been a large scale supplier of resource-based products from mines and forests. Export sales of these raw and partially processed materials have also provided British Columbia businesses with a substantial part of the capital required for the expansion of other sectors of the economy. Almost 55 per cent of the total goods produced in the province are exported.

Exports have grown at an average rate of 17% over the past decade while imports through British Columbia ports for the same period rose at an average annual rate of 13%.

Forest products and minerals dominate the province's export picture, although an increasing amount of finished manufactured and processed goods are being shipped through British Columbia harbours, railways, highways, and airports.

The United States continues to be the major destination of British Columbia exports. Approximately 40% of British Columbia products sold abroad are shipped to the United States each year. The most important exports to the United States include: lumber, pulp, newsprint, fish products, natural gas, and refined non-ferrous metals. Other significant exports include cedar shingles and shakes, paper, metals in ores and a wide range of such manufactured products as wire, trucks, winches, logging machinery, and chain saw parts. Such consumer products as processed food, fashion apparel, giftware, jewelry, sports equipment, and furniture are also being sent to the American market in increasing numbers.

Although the United States is still British Columbia's main trading partner, Japan, Europe, and non- traditional markets have shown dramatic increases over the past decade. Exports to Japan particularly have taken a major leap and British Columbia accounts for more than 50 percent of Canada's exports to this Asian market. Principal exports to Japan include coal, copper concentrates, lumber, herring roe, pulp, and aluminum ingots. Western Europe serves as an important market for lumber, metals, pulp, and fish products.

Exports to other markets are also showing healthy growth patterns. The diversity of British Columbia exports, both in terms of product and final destination, makes the province less vulnerable than many exporting regions to economic cycles. Other growth markets include Malaysia, Thailand, Singapore, Taiwan, Australia, South Korea, Indonesia, Brazil, and Venezuela. British Columbia fish products, coal, fertilizers, forest products, trucks and logging, sawmill and mining equipment are being sold in increasing quantities in these countries. Canada's international aid programmes are involved in many of the sales to developing countries.

Imports

Imports through British Columbia customs ports are dominated by the United States which accounts for over 40% of all products. Products imported are mostly manufactured goods but range from seasonal vegetables and citrus fruits to such advanced technical goods as computers and aircraft. Imports from other industrialized nations such as Japan, Britain, Germany, the Netherlands and Hong Kong are predominantly manufactured goods. These include iron and steel, automobiles, motorcycles, radios, tape recorders, cameras, TV sets, machinery, processed foods, and alcoholic beverages.

Products imported from less developed countries include: bananas, tea, coffee, sugar, jute, and other tropical agricultural goods. Some industrial materials such as the raw material for aluminum and non-ferrous metals in ores are also purchased from these nations.

INDUSTRIAL INFRASTRUCTURE

British Columbia has a sound infrastructure ensuring support service to industries and effective communications. The province's financial community has also shown great strides in the past few years.

Transportation

Whether by land, sea or air, the ability to ship merchandise to customers in an efficient and effective method is assured because of British Columbia's integrated transportation system. Coastal shipping, including specialized freight, passenger, and towing vessels comprise an important segment of B.C.'s transportation picture.

Vancouver, the province's principal port, handles about 50 million tonnes of international and domestic shipments every year and is the largest dry cargo port on the entire Pacific Coast of the Americas. Major deep-sea bulk cargo facilities are located in the port of Greater Vancouver. Commodities shipped include potash, sulphur, coal, grain, forest products, and mineral concentrates. Prince Rupert is now the province's second major deep water port, and other significant ice-free ports exist at Victoria, Nanaimo and Kitimat.

The sophisticated transportation network on the west coast, with an advanced infrastructure of harbours, railroads, highways, trucking lines, airports, and freeways, carries cargo to and from virtually every country on earth.

Several major Canadian railway lines link B.C. centres with other Canadian terminal points and five American rail lines serve British Columbia points directly or interchange with local or national railways at southern border points.

British Columbia is served by Air Canada, Canadian Pacific Airlines and Pacific Western Airlines providing local, transcontinental, and international services. Air Canada links British Columbia with the United States, United Kingdom, Continental Europe, the Caribbean, and the Middle East. Canadian Pacific Airlines also operates in the domestic market and links the province with the United States, Fiji, New Zealand, Australia, Japan, Hong Kong, Continental Europe, Mexico City, South America, and the Middle East. A number of other international airlines, including Western Airlines, United, Frontier, Japan Airlines, British Airways, Lufthansa Airlines and Cathay Pacific Airlines, also provide scheduled passenger, charter,

and freight service through Vancouver International Airport, while a new national freight service is now available through Abbotsford airport.

Finance

There are over 800 branches of the major Canadian chartered banks in British Columbia. The growing importance of Vancouver as a financial and commercial centre of the Pacific Rim is reflected by the fact that a rapidly increasing number of foreign banks have established corporate banking functions in the city.

Industrial Parks

Industrial land development has increased noticeably in recent years. Costs for serviced land varies but industrially zoned land is available for sale or lease in all significant communities throughout the province.

Long-term government programs together with the initiatives of local developers have resulted in modern industrial parks which are well planned and serviced. Industrial parks are often managed by a third party, either a single developer or a co-ordinated management group.

One key organization serving as an important source for industrial land is the provincially-owned British Columbia Development Corporation, which markets industrial land throughout the province.

The British Columbia Ministry of International Trade and Investment

The British Columbia Ministry of International Trade and Investment is committed to encouraging the growth of business in the province. The Ministry is responsible for coordinating government's efforts to assist the existing industrial base to improve, expand and diversify. Ministry staff provide information and advice about doing business in B.C. to potential investors and encourage new companies coming to the province. Staff are attuned to new investment possibilities throughout the province and can help pinpoint potential locations and identify capital investment opportunities. They can also provide information about B.C. business practices and conditions and about sources of available assistance.

British Columbia House, in London, England, is the province's contact point for Europeans interested in learning more about British Columbia's economic potential. Expanded recently in order to strengthen British Columbia's traditional economic links with Western Europe, British Columbia House provides a base for provincial representatives who travel regularly throughout Europe to explore trade opportunities on behalf of British Columbia companies and to establish contact with potential investors.

To complete their role, Ministry European representatives make frequent visits to financial institutions, chambers of commerce, industry associations, and individual companies throughout Western Europe.

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